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**EXTRAORDINARY**

**PART I—Section 1**

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**MINISTRY OF COMMERCE & INDUSTRY**

**RESOLUTION**

**TARIFFS**

*New Delhi, the 2nd August 1955*

**No. 16(3)-T.B./54.**—The Tariff Commission has submitted its Report on the continuance of protection to the Grinding Wheels Industry beyond the 31st December, 1955. Its recommendations are as follows:—

- (1) The following types and sizes of grinding wheels should be excluded from the scheme of protection:—
  - (i) Grinding wheels having (a) more than 24 inches diameter or (b) less than  $\frac{1}{32}$  inch or more than 9 inches in thickness.
  - (ii) Diamond impregnated wheels.
- (2) The protective duty on grinding wheels and segments of all kinds other than those to be excluded from the scheme of protection should be reduced from 50 per cent. *ad valorem* exclusive of surcharge, to 25 per cent. *ad valorem* including surcharge. The protective duty should remain in force till 31st December, 1957.
- (3) The varieties of grinding wheels excluded from the scheme of protection should be subject to a revenue duty of 25 per cent. *ad valorem* including surcharge.
- (4) The concession of duty free imports of synthetic abrasive grains should be continued during the period of protection.

(5) The Indian Standards Institution should be requested to expedite the formulation of standard specification for grinding wheels.

(6) Grindwell Abrasives Ltd. should bring down their costs of production of grinding wheels, concentrate their efforts on the production of the most economical range of products and provide an improved after sales service to consumers.

2. Government accept recommendations (1) to (5) and will take suitable action to implement them.

3. The attention of the Grindwell Abrasives Ltd. is invited to recommendation (6).

4. Government have also decided in consultation with the Tariff Commission that the existing policy of placing all Government orders with the domestic industry for the varieties of grinding wheels and segments which can be manufactured locally should be continued so long as the prices quoted by the domestic industry are not unreasonable.

5. Government note with regret that according to the Commission, consumers have not had a fair share of the very considerable benefits that have accrued to the sole producing unit during the period in which it has been enjoying an ample quantum of protection and has been in a monopolistic position internally. Government hope that with the reduction in the quantum of protection and with increased internal competition which is shortly expected to come about, the interests of the consumers of this vital requirement of engineering industries will be safeguarded. Government propose, however, to keep the situation under careful watch and they will not hesitate to impose price control or to adopt any other measures that may appear to be necessary to ensure that the consumer gets a fair deal.

## NOTIFICATION

### TARIFFS

*New Delhi, the 2nd August 1955*

**No. 16(3)-T.B./54.**—WHEREAS the Central Government is satisfied, after due inquiry that the duty chargeable under the Indian Tariff Act, 1934 (XXXII of 1934) in respect of the article specified in Item No. 71(8) of the First Schedule to the said Act, and characterised as protective in the third column thereof, has become excessive for the purpose of securing the protection intended to be afforded by it to similar articles manufactured in India;

NOW, THEREFORE, in exercise of the powers conferred by sub-section (1) of Section 4 of the said Act, as in force in India and as applied to the State of Pondicherry, the Central Government hereby reduces with effect from the 2nd August, 1955, the duty of customs on the said article so that the duty chargeable shall from the said date be as specified in column (3) of the table annexed hereto.

## THE TABLE

Item No. of Tariff	Name of Article	Rate of duty
(1)	(2)	
71 (8)	Grinding wheels and segments made of synthetic abrasive grains, excluding the following, namely : (i) grinding wheels— (a) of any thickness or bore but more than 21 inches in diameter, or (b) of any diameter or bore but more than $7\frac{1}{2}$ inches or less than $\frac{1}{8}$ inch thickness, or (c) of any diameter or thickness but more than $12\frac{1}{2}$ inches bore ; and (ii) Diamond impregnated wheels.	25 per cent. <i>ad valorem.</i>

L. K. JHA, Jt. Secy.

